

Message Text

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ORIGIN AF-10

INFO OCT-01 ISO-00 OPIC-03 FEA-01 ERDA-05 AID-05
CEA-01 CIAE-00 COME-00 EPG-02 DODE-00 EB-07
FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05
OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04
TRSE-00 ACDA-07 PRS-01 /104 R

DRAFTED BY AF/W:EESVENDSEN:HMN
APPROVED BY AF/W:RGHOUDEK
EB/IFD:WBLACK
-----170810Z 034032 /12
R 170038Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY MONROVIA

C O N F I D E N T I A L STATE 112468

E.O. 11652: GDS

TAGS: EINV, ENRG, LI

SUBJECT: LIBERIA REFINING COMPANY (LRC)
REF: MONROVIA 3210 AND PREVIOUS

1. FORMER GENERAL MANAGER OF LRC, J. EPPARD TELEPHONED THE DEPARTMENT MAY 13 TO INFORM THAT SUN AND DYNALECTRON HAVE NOTIFIED THE GOL AND ANNOUNCED IN A PRESS RELEASE LIBERIA'S "EXPROPRIATION" OF LRC. THE TWO COMPANIES SENT MINISTER OF FINANCE J.T. PHILLIPS A LETTER VIA TELEX MAY 12 INFORMING HIM OF THIS POSITION. THE LETTER, SIGNED BY THE PRESIDENTS OF THE TWO COMPANIES, STATES THAT DUE TO THE "PAST ACTIONS AND INACTIONS OF THE GOL, SUN AND DYNALECTRON CONSIDER LRC EXPROPRIATED. IT REJECTS THE LIBERIAN OFFER TO PURCHASE LRC'S UNENCUMBERED ASSETS FOR 1.5 MILLION DOLLARS, NOTING A RECENT BRITISH APPRAISAL SETTING ASSETS AT 35 MILLION DOLLARS.
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IT STATES THE TWO COMPANIES WOULD BE HAPPY TO MEET WITH THE GOL AT ANY TIME TO DISCUSS APPROPRIATE COMPENSATION, WHICH EPPARD LOOSELY DEFINED AS BOOK VALUE PLUS EQUITY.

2. ACCORDING TO THE WALL STREET JOURNAL OF MAY 16, A SUN SPOKESMAN ON BEHALF OF SUN AND DYNALECTRON SAID THAT THE EXPROPRIATION FOLLOWED COLLAPSE OF NEGOTIATIONS

INITIATED BY THE AMERICAN COMPANIES IN AN ATTEMPT TO

EASE RESTRICTIVE LIBERIAN PRICE CONTROLS. THE ARTICLE STATES THAT THE COMPANIES HAVE ADVISED THE GOL THEY ARE AVAILABLE TO DISCUSS COMPENSATION FOR THE EXPROPRIATION, BUT THAT THESE NEGOTIATIONS HAVE NOT Y: T BEGUN.

3. COPIES OF THE LETTER TO PHILLIPS AND THE NEWS RELEASE ARE BEING SENT TO THE DEPARTMENT, AND WE WILL FORWARD THEM TO EMBASSY UPON RECEIPT. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: EESVENDSEN:HMN
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ISecure: 1
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Litigation History:
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Review Content Flags:
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TAGS: EINV, ENRG, LI, US, SUN TRADING & MARINE TRANSPORT INC, DYNALECTRON CORP,
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Type: TE
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